

## **EXHIBIT H**

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

**FILED**  
DEC 22 2003

In re  
PACIFIC GAS AND ELECTRIC COMPANY,  
a California corporation,  
  
Debtor.  
  
Federal I.D. No. 94-0742640

Case No. 01 30923 DM UNITED STATES BANKRUPTCY COURT  
Chapter 11 Case SAN FRANCISCO, CA

PLAN OF REORGANIZATION  
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE FOR  
PACIFIC GAS AND ELECTRIC COMPANY DATED JULY 31, 2003, AS  
MODIFIED BY MODIFICATIONS DATED NOVEMBER 6, 2003 AND  
DECEMBER 19, 2003

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PLAN OF REORG. DATED JULY 31, 2003, AS MOD. NOVEMBER 6, 2003 AND DECEMBER 19, 2003

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Pacific Gas and Electric Company, a California corporation (the "Debtor"), the Parent (as defined below) and the Committee (as defined below) jointly propose the following plan of reorganization for the Debtor under section 1121(a) of the Bankruptcy Code:

## ARTICLE I

### DEFINITIONS AND CONSTRUCTION OF TERMS

1.1 Definitions. As used herein, the following terms have the respective meanings specified below:

1976 Letter has the meaning set forth in Section 6.9 hereof.

1991 Settlement Agreement has the meaning set forth in Section 6.9 hereof.

92A Bonds means those certain California Pollution Control Financing Authority, 6 5/8% Pollution Control Revenue Bonds (Pacific Gas and Electric Company) 1992 Series A issued by the Issuer in the aggregate principal amount of \$35,000,000.

92B Bonds means those certain California Pollution Control Financing Authority, 6.35% Pollution Control Revenue Bonds (Pacific Gas and Electric Company) 1992 Series B issued by the Issuer in the aggregate principal amount of \$50,000,000.

93A Bonds means those certain California Pollution Control Financing Authority, 5 7/8% Pollution Control Revenue Bonds (Pacific Gas and Electric Company) 1993 Series A issued by the Issuer in the aggregate principal amount of \$60,000,000.

93B Bonds means those certain California Pollution Control Financing Authority, 5.85% Pollution Control Revenue Bonds (Pacific Gas and Electric Company) 1993 Series B issued by the Issuer in the aggregate principal amount of \$200,000,000.

96B Bonds means those certain California Pollution Control Financing Authority, Pollution Control Refunding Revenue Bonds (Pacific Gas and Electric Company) 1996 Series B issued by the Issuer in the aggregate principal amount of \$160,000,000.

96C Bonds means those certain California Pollution Control Financing Authority, Pollution Control Refunding Revenue Bonds (Pacific Gas and Electric Company) 1996 Series C

1 issued by the Issuer in the aggregate principal amount of \$200,000,000.

2 96D Bonds means those certain California Pollution Control Financing Authority,  
3 Pollution Control Refunding Revenue Bonds (Pacific Gas and Electric Company) 1996 Series D  
4 issued by the Issuer in the aggregate principal amount of \$100,000,000.

5 96E Bonds means those certain California Pollution Control Financing Authority,  
6 Pollution Control Refunding Revenue Bonds (Pacific Gas and Electric Company) 1996 Series E  
7 issued by the Issuer in the aggregate principal amount of \$165,000,000.

8 96F Bonds means those certain California Pollution Control Financing Authority,  
9 Pollution Control Refunding Revenue Bonds (Pacific Gas and Electric Company) 1996 Series F  
10 issued by the Issuer in the aggregate principal amount of \$100,000,000.

11 96G Bonds means those certain California Pollution Control Financing Authority,  
12 Pollution Control Refunding Revenue Bonds (Pacific Gas and Electric Company) 1996 Series G  
13 issued by the Issuer in the aggregate principal amount of \$62,870,000.

14 97A Bonds means those certain California Pollution Control Financing Authority,  
15 Pollution Control Refunding Revenue Bonds (Pacific Gas and Electric Company) 1997 Series A  
16 issued by the Issuer in the aggregate principal amount of \$45,000,000.

17 97B Bonds means those certain California Pollution Control Financing Authority,  
18 Pollution Control Refunding Revenue Bonds (Pacific Gas and Electric Company) 1997 Series B  
19 issued by the Issuer in the aggregate principal amount of \$148,550,000.

20 97C Bonds means those certain California Pollution Control Financing Authority,  
21 Pollution Control Refunding Revenue Bonds (Pacific Gas and Electric Company) 1997 Series C  
22 issued by the Issuer in the aggregate principal amount of \$148,550,000.

23 97D Bonds means those certain California Pollution Control Financing Authority,  
24 Pollution Control Refunding Revenue Bonds (Pacific Gas and Electric Company) 1997 Series D  
25 issued by the Issuer in the aggregate principal amount of \$17,900,000.

26 AB 57/SB 1976 means California Assembly Bill 57 and California Senate Bill 1976.

27 AB 1890 means California Assembly Bill 1890.

28 Administrative Expense Claims means all Claims against the Debtor constituting a cost

1 or expense of administration of the Chapter 11 Case under sections 503(b) and 507(a)(1) of the  
 2 Bankruptcy Code, including, without limitation, all actual and necessary costs and expenses of  
 3 preserving the estate of the Debtor, all cure amounts owed in respect of executory contracts and  
 4 unexpired leases assumed by the Debtor-in-Possession, all Professional Compensation and  
 5 Reimbursement Claims, and any fees or charges assessed against the estate of the Debtor under  
 6 section 1930 of chapter 123 of title 28 of the United States Code; provided, however, that  
 7 Administrative Expense Claims shall not include any Ordinary Course Liabilities.

8 Allowed means, with reference to any Claim against or Equity Interest in the Debtor,  
 9 (a) any Claim which has been listed by the Debtor in the Debtor's Bankruptcy Schedules, as such  
 10 Schedules may be amended by the Debtor from time to time in accordance with Bankruptcy Rule  
 11 1009, as liquidated in amount and not disputed or contingent, and for which no contrary proof of  
 12 claim or objection to claim has been filed; (b) any Claim or Equity Interest allowed hereunder;  
 13 (c) any Claim or Equity Interest which is not Disputed; (d) any Claim or Equity Interest that is  
 14 compromised, settled or otherwise resolved pursuant to a Final Order of the Bankruptcy Court or  
 15 under the Plan; or (e) any Claim or Equity Interest which, if Disputed, has been Allowed by Final  
 16 Order; provided, however, that Claims allowed solely for the purpose of voting to accept or reject  
 17 the Plan pursuant to an order of the Bankruptcy Court shall not be considered "Allowed Claims"  
 18 hereunder. Unless otherwise specified herein or by order of the Bankruptcy Court, "Allowed  
 19 Administrative Expense Claim" or "Allowed Claim" shall not, for any purpose under the Plan,  
 20 include interest on such Administrative Expense Claim or Claim from and after the Petition Date.

21 Assumed Corporate Indemnities means all obligations of the Debtor, pursuant to the  
 22 Debtor's Articles of Incorporation or Bylaws, applicable state law or specific agreement, or any  
 23 combination of the foregoing, to defend or indemnify, or to reimburse or limit the liability of, its  
 24 present and any former officers, directors and/or employees who were officers, directors and/or  
 25 employees, respectively, on or after the Petition Date, solely in their capacity as officers, directors  
 26 and/or employees, against or with respect to any Claims or obligations.

27 Assumed Indemnification Claims means all Claims against the Debtor, if any, as to  
 28 which the claimant asserts rights based only upon the Assumed Corporate Indemnities.

ATCP Application means the Debtor's Annual Transition Cost Proceeding Application No. 01-09-003, presently pending before the Commission.

Ballot means the form distributed to each holder of an Impaired Claim or Impaired Equity Interest on which such holder shall indicate acceptance or rejection of the Plan.

Bank means, with respect to each Reimbursement Agreement, those certain banking or other financial institutions that are signatories thereto (other than the Letter of Credit Issuing Bank) and their respective successors and assigns.

Bankruptcy Code means title 11 of the United States Code, as amended from time to time.

Bankruptcy Court means the United States Bankruptcy Court for the Northern District of California (San Francisco Division) having jurisdiction over the Chapter 11 Case and, to the extent of any reference under section 157 of title 28 of the United States Code, the unit of such District Court under section 151 of title 28 of the United States Code.

Bankruptcy Rules means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as amended from time to time, and any Local Rules of the Bankruptcy Court, as amended from time to time.

Bond Loan means, with respect to each series of PC Bonds, the loan of the proceeds from the sale of such series of PC Bonds made by the Issuer to the Debtor pursuant to the terms of the respective Loan Agreement.

Bond Trustee means, with respect to the PC Bonds, Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), a corporation organized under the laws of the State of New York, as trustee, or U.S. Bank, N.A., as trustee, under the Indentures pursuant to which the PC Bonds were issued, as applicable, and their successors and assigns or any successor trustee under such Indentures appointed in accordance with the terms thereof.

Business Day means any day other than a Saturday, a Sunday or any other day on which commercial banks in San Francisco, California, or New York, New York, are required or authorized to close by law or executive order.



1 Carizzo Plains has the meaning set forth in Paragraph 17 of the Commission Settlement  
2 Agreement.

3 Cash means legal tender of the United States of America.

4 Cause of Action means, without limitation, any and all actions, causes of action,  
5 liabilities, obligations, rights, suits, damages, judgments, claims and demands whatsoever, whether  
6 known or unknown, existing or hereafter arising, in law, equity or otherwise, based in whole or in  
7 part upon any act or omission or other event occurring prior to the Petition Date or during the course  
8 of the Chapter 11 Case, including through the Effective Date.

9 Chapter 11 Case means the case under chapter 11 of the Bankruptcy Code commenced  
10 by the Debtor in the Bankruptcy Court on April 6, 2001, and filed under chapter 11 Case No. 01-  
11 30923 DM.

12 Chromium Litigation means Causes of Action against the Debtor relating to alleged  
13 chromium contamination, including, but not limited to, the following fourteen (14) civil actions  
14 pending in California courts: (a) Aguayo v. Pacific Gas and Electric Company, filed March 15,  
15 1995, in Los Angeles County Superior Court; (b) Aguilar v. Pacific Gas and Electric Company, filed  
16 October 4, 1996, in Los Angeles County Superior Court; (c) Acosta, et al. v. Betz Laboratories, Inc.,  
17 et al., filed November 27, 1996, in Los Angeles County Superior Court; (d) Adams v. Pacific Gas  
18 and Electric Company and Betz Chemical Company, filed July 25, 2000, in Los Angeles County  
19 Superior Court; (e) Baldonado v. Pacific Gas and Electric Company, filed October 25, 2000, in Los  
20 Angeles County Superior Court; (f) Gale v. Pacific Gas and Electric Company, filed January 30,  
21 2001, in Los Angeles County Superior Court; (g) Fordyce v. Pacific Gas and Electric Company, filed  
22 March 16, 2001, in San Bernardino Superior Court; (h) Puckett v. Pacific Gas & Electric Company,  
23 filed March 30, 2001, in Los Angeles County Superior Court; (i) Alderson, et al. v. PG&E  
24 Corporation, Pacific Gas and Electric Company, Betz Chemical Company, et al., filed April 11,  
25 2001, in Los Angeles County Superior Court; (j) Bowers, et al. v. Pacific Gas and Electric Company,  
26 et al., filed April 20, 2001, in Los Angeles County Superior Court; (k) Boyd, et al. v. Pacific Gas and  
27 Electric Company, et al., filed May 2, 2001, in Los Angeles County Superior Court; (l) Martinez, et  
28 al. v. Pacific Gas and Electric Company, filed June 29, 2001, in Los Angeles County Superior Court;



(m) Miller v. Pacific Gas and Electric Company, filed November 21, 2001, in Los Angeles County Superior Court; and (n) Lytle v. Pacific Gas and Electric Company, filed March 22, 2002, in Yolo County Superior Court.

Chromium Litigation Claims means all Claims against the Debtor arising from the Chromium Litigation for damages or other obligations, including Punitive Damages; provided, however, that Chromium Litigation Claims shall not include (a) any Claims settled, liquidated or determined by a Final Order or a binding award, agreement or settlement prior to the Petition Date for amounts payable by the Debtor for damages or other obligations in a fixed dollar amount payable in a lump sum or by a series of payments (which Claims are classified as General Unsecured Claims), (b) Environmental Claims, (c) Fire Suppression Claims, or (d) Pending Litigation Claims.

Claim has the meaning set forth in section 101(5) of the Bankruptcy Code; provided, however, that any claim based on allocations under Commission Electric Rule 20, Section A, relating to undergrounding of electric distribution facilities, shall not be a Claim for purposes of this Plan and shall pass through the Plan unaffected.

Class means a category of holders of Claims against or Equity Interests in the Debtor as set forth in Articles III and IV of the Plan.

Clerk means the clerk of the Bankruptcy Court.

Collateral means any property or interest in property of the estate of the Debtor subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance or otherwise invalid under the Bankruptcy Code or applicable state law.

Commercial Paper means short-term promissory notes of the Debtor bearing various interest rates based on the three (3) month London Interbank Offered Rate and issued under commercial paper dealer agreements between the Debtor and (a) Goldman Sachs & Co., dated May 30, 1997, (b) Bank of America, N.A., dated February 7, 1985, (c) Salomon Smith Barney, Inc., dated November 10, 2000, and (d) Merrill Lynch, Pierce Fenner & Smith (oral agreement).

Commercial Paper Claims means all Claims against the Debtor arising from Commercial Paper.

Commission means the California Public Utilities Commission or any successor agency,

1 and the commissioners thereof in their official capacities and their respective successors.

2 Commission-DWR Rate Agreement means the agreement dated March 8, 2002 between  
3 the Commission and DWR relating to the establishment of DWR's revenue requirements and  
4 charges in connection with power sold by DWR under Division 27, commencing with section  
5 80000, of the California Water Code.

6 Commission Plan has the meaning set forth in Section 7.1 hereof.

7 Commission Settlement Agreement means that certain Settlement Agreement (and each  
8 term and provision thereof) by and among the Debtor, the Parent and the Commission, a true and  
9 correct copy of which is attached as Exhibit D hereto, as the same may be amended or modified by  
10 the Settling Parties.

11 Committee means the official Committee of Unsecured Creditors appointed in the  
12 Chapter 11 Case by the United States Trustee pursuant to section 1102 of the Bankruptcy Code, as  
13 reconstituted from time to time. As of the date hereof, the Committee is comprised of Reliant  
14 Energy, Inc., Dynegy Power Marketing, Inc., P-E Berkeley, Inc., GWF Power Systems Company,  
15 Inc., Bank of America, N.A., Morgan Guaranty, Merrill Lynch, Davey Tree Expert Co., the City of  
16 Palo Alto, California, the State of Tennessee and Pacific Investment Management Company LLC.

17 Common Stock shares of the Debtor's common stock, par value \$5.00 per share.

18 Common Stock Equity Interests means any right relating to the three hundred twenty-six  
19 million, nine hundred twenty-six thousand, six hundred sixty-seven (326,926,667) issued and  
20 outstanding shares of Common Stock as of the date hereof, all of which are held directly or  
21 indirectly by the Parent.

22 Confirmation Date means the date on which the Clerk of the Bankruptcy Court enters  
23 the Confirmation Order on the docket.

24 Confirmation Hearing means the hearing held by the Bankruptcy Court to consider  
25 confirmation of the Plan pursuant to section 1128 of the Bankruptcy Code, as such hearing may be  
26 adjourned or continued from time to time.

27 Confirmation Order means the order of the Bankruptcy Court confirming the Plan  
28 pursuant to section 1129 of the Bankruptcy Code.

1           Continuing PC Bond Related Debt means collectively, but without duplication, as of the  
 2     date such calculation shall be made, (i) the aggregate principal amount of those Letter of Credit  
 3     Backed PC Bonds, MBIA Insured Bonds, Mortgage Backed PC Bonds, and Treasury PC Bonds that  
 4     remain outstanding under the terms of the related Indentures to the extent that such PC Bonds are  
 5     held by a Person or Persons other than the Debtor, the Reorganized Debtor or any Affiliate thereof,  
 6     (ii) the aggregate principal amount of the Reimbursement Obligations arising with respect to the  
 7     Prior Bonds to the extent that such obligations are held by a Person or Persons other than the Debtor,  
 8     the Reorganized Debtor or any Affiliate thereof, (iii) the aggregate principal amount owed by the  
 9     Debtor under the terms of the respective Reimbursement Agreements as reimbursement of amounts  
 10    drawn on the respective Letters of Credit for the payment of the principal of, or the principal portion  
 11    of the purchase price of, Letter of Credit Backed PC Bonds, and (iv) the aggregate principal amount  
 12    of any debt incurred by the Debtor or Reorganized Debtor to refund or otherwise refinance any of the  
 13    foregoing other than New Money Notes.

14           Debtor has the meaning set forth in the introduction to the Plan.

15           Debtor-in-Possession means the Debtor in its capacity as debtor-in-possession in the  
 16    Chapter 11 Case pursuant to sections 1101, 1107(a) and 1108 of the Bankruptcy Code.

17           Debtor's Articles of Incorporation means the Restated Articles of Incorporation of the  
 18    Debtor, effective as of May 6, 1998.

19           Debtor's Bankruptcy Schedules means the schedules of assets and liabilities, schedule of  
 20    current income and expenditures, schedule of executory contracts and unexpired leases, and  
 21    statement of financial affairs filed in this Chapter 11 Case by the Debtor pursuant to section 521 of  
 22    the Bankruptcy Code and Bankruptcy Rule 1007, as amended from time to time.

23           Debtor's Bylaws means the Bylaws of the Debtor, as amended as of February 21, 2001.

24           Disbursing Agent means any Entity in its capacity as a disbursing agent under  
 25    Section 5.4 hereof.

26           Disclosure Statement means the Disclosure Statement for the Plan of Reorganization  
 27    Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company Dated June \_\_,  
 28    2003 proposed by the Proponents, including all exhibits, supplements, appendices and schedules

thereto (including, without limitation, the Plan and the Plan Supplement), as approved on July \_\_, 2003 by the Bankruptcy Court pursuant to the Disclosure Statement Order and all modifications thereto.

Disclosure Statement Order means the order of the Bankruptcy Court entered pursuant to section 1125 of the Bankruptcy Code approving the Disclosure Statement.

Disputed means (a) with reference to any Claim against the Debtor, proof of which was timely and properly filed, or in the case of an Administrative Expense Claim or Claim as to which the Debtor has interposed a timely objection and/or request for estimation in accordance with section 502(c) of the Bankruptcy Code and/or Bankruptcy Rule 3018, which objection and/or request for estimation has not been withdrawn or determined by a Final Order, and (b) any Claim against the Debtor, proof of which was required to be filed by order of the Bankruptcy Court or pursuant to applicable law, but as to which a proof of claim was not timely or properly filed. A Claim that is Disputed by the Debtor as to its amount only shall be deemed Allowed in the amount the Debtor admits owing, if any, and Disputed as to the excess.

Disputed Claim Amount means the disputed portion of the amount set forth in the proof of claim relating to a Disputed Claim or, if an amount is estimated in respect of a Disputed Claim in accordance with section 502(c) of the Bankruptcy Code and/or Bankruptcy Rule 3018, the amount so estimated pursuant to an order of the Bankruptcy Court.

Distribution Record Date means the first Business Day after the date on which the conditions specified in Section 8.2 hereof have been satisfied or waived by the Proponents.

DWR means the California Department of Water Resources.

DWR Contracts means the contracts entered into by the DWR for the purchase of electric power and associated goods and services pursuant to California Assembly Bill No. 1X, signed into law by the Governor of the State of California on February 1, 2001.

Effective Date means the tenth (10th) Business Day after the Distribution Record Date.

Entity has the meaning set forth in section 101(15) of the Bankruptcy Code.

Environmental, Fire Suppression, Pending Litigation and Tort Claims means all Environmental Claims, Fire Suppression Claims, Pending Litigation Claims and Tort Claims.

1            Environmental Claims means all Claims against the Debtor arising from (i) any  
2        accusation, allegation, notice of violation, action, claim, environmental Lien, demand, abatement or  
3        other order, restriction or direction (conditional or otherwise) by any Governmental Entity or any  
4        other Person for personal injury (including, but not limited to, sickness, disease or death), tangible or  
5        intangible property damage, Punitive Damages, damage to the environment, nuisance, pollution,  
6        contamination or other adverse effect on the environment or costs (to the extent recoverable under  
7        applicable non-bankruptcy law) of any Governmental Entity related thereto, in each case resulting  
8        from or based upon (a) the existence, or the continuation of the existence, of a release of (including,  
9        but not limited to, sudden or non-sudden accidental or non-accidental releases), or exposure to, any  
10       hazardous or deleterious material, substance, waste, pollutant or contaminant, odor or audible noise  
11       in, into or onto the environment (including, but not limited to, the air, soil, surface water or  
12       groundwater) at, in, by, from or related to any property (including any vessels or facilities of the  
13       Debtor) presently or formerly owned, operated or leased by the Debtor or any activities or operations  
14       thereof, (b) the transportation, storage, treatment or disposal of any hazardous or deleterious  
15       material, substance, waste, pollutant or contaminant in connection with any property presently or  
16       formerly owned, operated or leased by the Debtor or its operations or facilities, or (c) the violation or  
17       alleged violation, of any environmental law, order or environmental permit or license of or from any  
18       Governmental Entity relating to environmental matters connected with any property presently or  
19       formerly owned, operated or leased by the Debtor (including, without limitation, any FERC license  
20       pertaining to any environmental matter, such as the Belden FERC License 2105 and the fish stocking  
21       requirements thereunder); and (ii) any claim for indemnification or contribution (whether based on  
22       contract, statute or common law) against the Debtor by any third party, where such indemnification  
23       or contribution claim of such third party is based on a claim against such third party that if asserted  
24       directly against the Debtor would be a claim included with the immediately preceding clause (i);  
25       provided, however, that Environmental Claims shall not include (i) any Claims fully settled,  
26       liquidated or determined by a Final Order or a binding award, agreement or settlement prior to the  
27       Petition Date for amounts payable by the Debtor for damages or other obligations in a fixed dollar  
28       amount payable in a lump sum or by a series of payments (which Claims are classified as General

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1 Unsecured Claims), (ii) Tort Claims, (iii) Fire Suppression Claims, or (iv) Pending Litigation  
2 Claims.

3 Environmental Order has the meaning set forth in Section 4.17(b) hereof.

4 Equity Interest means any share of Common Stock, Preferred Stock or other instrument  
5 evidencing an ownership interest in the Debtor, whether or not transferable, and any option, warrant  
6 or other right, contractual or otherwise, to acquire any such interest.

7 ESP means energy service provider.

8 ESP Claims means all Claims against the Debtor arising from PX energy credits payable  
9 by the Debtor to ESPs.

10 Federal Judgment Rate means the interest rate allowed pursuant to section 1961 of  
11 title 28 of the United States Code, as amended, as published by the Board of Governors of the  
12 Federal Reserve System for the calendar week that preceded the Petition Date, which is 4.19% per  
13 annum.

14 Fed.Rules Civ.Pro. means the Federal Rules of Civil Procedure.

15 FERC means the United States Federal Energy Regulatory Commission.

16 FERC Refund Proceedings means the pending FERC refund proceedings bearing FERC  
17 Docket Nos. EL00-95-045 and EL00-98-042 and related subdockets.

18 Final Approval means (i) approval on behalf of the Commission that is not subject to  
19 any pending appeal or further right of appeal, or (ii) approval on behalf of the Commission that,  
20 although subject to a pending appeal or further right of appeal, has been agreed by each of the two  
21 PG&E Proponents in a writing filed with the Bankruptcy Court to constitute a "Final Approval"  
22 within the meaning of this clause (ii) of this definition.

23 Final Order means an order or decree of the Bankruptcy Court, or any other court of  
24 competent jurisdiction, as to which the time to appeal, petition for certiorari, or move for reargument  
25 or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for  
26 reargument or rehearing shall then be pending or as to which any right to appeal, petition for  
27 certiorari, reargue or rehear shall have been waived in writing in form and substance satisfactory to  
28 the Debtor or, in the event that an appeal, writ of certiorari or reargument or rehearing thereof has

1 been sought, such order or decree of the Bankruptcy Court or other court of competent jurisdiction  
 2 shall have been determined by the highest court to which such order or decree was appealed, or  
 3 certiorari, reargument or rehearing shall have been denied and the time to take any further appeal,  
 4 petition for certiorari or move for reargument or rehearing shall have expired; provided, however,  
 5 that the possibility that a motion under Rule 59 or Rule 60 of the Fed.Rules Civ.Pro., or any  
 6 analogous rule under the Bankruptcy Rules or applicable state court rules of civil procedure, may be  
 7 filed with respect to such order or decree shall not prevent such order or decree from being a Final  
 8 Order.

9 Fire Suppression Claims means all Claims against the Debtor by any Governmental  
 10 Entity for damages and costs resulting from a fire that may be recovered under either state or federal  
 11 law, including, but not limited to, Claims for damages to property, the cost of restoring all property  
 12 damaged as a result of the fire, the cost of compensating all other losses resulting from damage to  
 13 property arising from a fire, and costs incurred in fighting a fire, including all investigative,  
 14 administrative, accounting, collection and other costs; provided, however, that the foregoing  
 15 "including, but not limited to" description of the types of damages and costs that are included in this  
 16 definition are for illustrative purposes only and do not constitute an acknowledgment or admission  
 17 by the Proponents that any such damages or costs are in fact recoverable under state or federal law.

18 First and Refunding Mortgage Bonds means (a) 6.25% First and Refunding Mortgage  
 19 Bonds Series 93G due March 1, 2004, (b) 5.875% First and Refunding Mortgage Bonds Series 93E  
 20 due October 1, 2005, (c) 6.250% First and Refunding Mortgage Bonds Series 81B due August 1,  
 21 2011, (d) 8.800% First and Refunding Mortgage Bonds Series 91A due May 1, 2024, (e) 8.375%  
 22 First and Refunding Mortgage Bonds Series 92B due May 1, 2025, (f) 8.25% First and Refunding  
 23 Mortgage Bonds Series 92D due November 1, 2022, (g) 7.25% First and Refunding Mortgage Bonds  
 24 Series 93A due March 1, 2026, (h) 7.25% First and Refunding Mortgage Bonds Series 93D due  
 25 August 1, 2026, (i) 6.75% First and Refunding Mortgage Bonds Series 93F due October 1, 2023,  
 26 (j) 7.05% First and Refunding Mortgage Bonds Series 93F due October 1, 2023, and (k) 7.05% First  
 27 and Refunding Mortgage Bonds Series 93H due March 1, 2024, each issued by the Debtor under the  
 28 Mortgage, together with any Matured and Unpresented First and Refunding Mortgage Bonds,



provided that the Debtor is not waiving any rights or claims it may have under applicable non-bankruptcy law against any holder of any Matured and Unpresented First and Refunding Mortgage Bond or any other party with respect thereto.<sup>1</sup>

Fixed Transition Amounts has the meaning set forth in section 840(d) of the PU Code.

Floating Rate Note Claims means all Claims against the Debtor arising from the Floating Rate Notes.

Floating Rate Notes means the Floating Rate Notes due October 31, 2001, issued by the Debtor under an indenture by and between the Debtor and Wilmington Trust Company, as successor-in-interest to The Bank of New York, dated September 1, 1987, together with all amendments, modifications, renewals, substitutions and replacements thereof.

Forbearance, Extension and Letter of Credit Fees has the meaning set forth in Section 4.11(b)(iii) hereof.

FPA means the Federal Power Act of 1920, as amended.

General Unsecured Claims means (a) Revolving Line of Credit Claims; (b) Medium Term Note Claims; (c) Senior Note Claims; (d) Floating Rate Note Claims; (e) Southern San Joaquin Valley Power Authority Bond Claims; (f) Claims against the Debtor arising from the rejection of executory contracts and unexpired leases as defined in section 365 of the Bankruptcy Code; (g) Claims against the Debtor relating to pre-petition litigation; (h) Claims against the Debtor by the Debtor's vendors, suppliers and service providers; (i) Claims against the Debtor relating to intercompany obligations to Affiliates; and (j) Commercial Paper Claims; provided, however that

<sup>1</sup>This definition does not include approximately \$280,514,000 in principal amount of Series 93 C bonds maturing on August 1, 2003 (the "1993 Series C Bonds") that, but for such maturity date, otherwise would be within the definition of First and Refunding Mortgage Bonds that constitute Class 3a under the Plan. On June 20, 2003, the Debtor filed a motion with the Bankruptcy Court to permit timely payment of the approximately \$280,514,000 principal amount of the 1993 Series C Bonds on August 1, 2003. Assuming such motion is granted, the 1993 Series C Bonds will be paid off on or about August 1, 2003, well before the confirmation hearing on the Plan, and therefore are not included in the definition of First and Refunding Mortgage Bonds and are not part of Class 3a under the Plan. If for any reason such motion is not approved, or the 1993 Series C Bonds are not timely paid off notwithstanding the approval of such motion, the Plan will be modified to add the 1993 Series C Bonds to the definition of First and Refunding Mortgage Bonds that constitute Class 3a under the Plan.

1 General Unsecured Claims will not include any unsecured Claims included in any other Class  
2 (including, without limitation, Claims classified as Class 8 Claims).

3 Governmental Entity has the meaning set forth for a governmental unit in section  
4 101(27) of the Bankruptcy Code.

5 Impaired means any Class of Claims against or Equity Interests in the Debtor that is  
6 impaired within the meaning of section 1124 of the Bankruptcy Code.

7 Indenture means, with respect to each series of PC Bonds, that certain indenture of trust  
8 between the Issuer and the Bond Trustee pursuant to which such series of PC Bonds were issued, as  
9 originally executed, together with all amendments, modifications, renewals, substitutions and  
10 replacements thereof.

11 Initial Calculation Date means (i) February 28, 2002, with respect to holders of Allowed  
12 Claims in Class 5 for Senior Indebtedness, holders of Allowed Southern San Joaquin Valley Power  
13 Authority Bond Claims and holders of Allowed Claims in Classes 4c, 4f, 4g and 9; and (ii) June 30,  
14 2002, with respect to the remaining holders of Allowed Claims in Class 5 and the holders of  
15 Allowed Claims in Classes 1, 2, 6 and 7.

16 Interest Period means the period commencing on any interest payment date specified  
17 herein and ending on the day preceding the next succeeding interest payment date; except in respect  
18 of the first interest period which extends to June 30, 2002, where the Interest Period shall commence  
19 on the earlier of the Petition Date or the date specified on Exhibit B, hereto, and shall end on  
20 June 30, 2002, and the second interest period shall commence on July 1, 2002.

21 Interest Rate Hedges Motion means that certain "Motion For Authority To Enter Into  
22 Certain Hedging Transactions In Connection With Financing Under Proposed Plan Of  
23 Reorganization, And To Incur Secured Debt Related Thereto" filed by the Debtor in the Chapter 11  
24 Case on August 29, 2003.

25 Interest Rate Hedges Order means that certain "Order On Debtor's Motion For Authority  
26 To Enter Into Certain Hedging Transactions In Connection With Financing Under Proposed Plan Of  
27 Reorganization, And To Incur Secured Debt Related Thereto" granting the Interest Rate Hedges  
28 Motion, issued by the Bankruptcy Court in the Chapter 11 Case on September 26, 2003.

1 IRS means the United States Internal Revenue Service.

2 ISO means the California Independent System Operator.

3 ISO, PX and Generator Claims means all Claims against the Debtor arising from  
4 amounts due to the ISO, PX and various power generators based on purchases of electricity or  
5 ancillary services by the Debtor in markets operated by the PX and the ISO.

6 Issuer means the California Pollution Control Financing Authority, a public  
7 instrumentality and political subdivision of the State of California, organized and existing under the  
8 California Pollution Control Financing Authority Act, being Division 27 (commencing at section  
9 44500) of the California Health and Safety Code, as supplemented and amended.

10 Land Conservation Commitment has the meaning set forth in Paragraph 17a of the  
11 Commission Settlement Agreement.

12 LC Bank Agreement has the meaning set forth in Section 4.11(b)(iii) hereof.

13 Letter of Credit means, with respect to each series of Letter of Credit Backed PC Bonds,  
14 that certain irrevocable direct pay letter of credit issued by the Letter of Credit Issuing Bank for the  
15 account of the Debtor to the Bond Trustee and delivered to the Bond Trustee in accordance with the  
16 terms of the respective Indenture, securing, among other things, the payment of the principal of, and  
17 interest on, the respective series of Letter of Credit Backed PC Bonds, together with all amendments,  
18 modifications, renewals, substitutions and replacements thereof.

19 Letter of Credit Backed PC Bond Claims means all Claims against the Debtor by the  
20 Issuer, Bond Trustee and the holders of Letter of Credit Backed PC Bonds for all amounts due and  
21 owing by the Debtor under the Loan Agreements and each of the other PC Bond Documents  
22 executed by the Debtor in connection with the issuance of each series of Letter of Credit Backed PC  
23 Bonds.

24 Letter of Credit Backed PC Bonds means, collectively, any series of 96C Bonds, 96E  
25 Bonds, 96F Bonds and/or 97B Bonds that are outstanding as of the Voting Record Date or the  
26 Effective Date, as applicable.

27 Letter of Credit Issuing Bank means, with respect to each series of Letter of Credit  
28 Backed PC Bonds, the issuer of the Letter of Credit.

1           Letter of Credit Bank Claims means all Claims against the Debtor relating to (a) the  
 2 contingent Claims of each Letter of Credit Issuing Bank and the applicable Banks, if any, with  
 3 respect to payments that may become due by the Debtor under their respective Reimbursement  
 4 Agreements with the Debtor in an amount equal to the outstanding Stated Amount of each of the  
 5 Letters of Credit, and (b) the Claims of the Letter of Credit Issuing Banks and the applicable Banks,  
 6 if any, for any and all accrued and unpaid amounts due by the Debtor under their respective  
 7 Reimbursement Agreements, including amounts due as reimbursement of amounts paid by each  
 8 Letter of Credit Issuing Bank under its respective Letter of Credit to the Bond Trustee for the  
 9 payment of interest on the related series of Letter of Credit Backed PC Bonds.

10           LIBOR means, with respect to each Interest Period, the rate per annum appearing on  
 11 Bloomberg Professional page BBAM1 (or any successor page) as the London interbank offered rate  
 12 for deposits in U.S. dollars having the index maturity designated by the Debtor at approximately  
 13 11:00 a.m. (London time) on the LIBOR Interest Determination Date. If no rate appears on  
 14 Bloomberg Professional page BBAM1, LIBOR shall mean the rate per annum appearing on Bridge  
 15 Telerate Inc. page 3750 (or any successor page) as the London interbank offered rate for deposits in  
 16 U.S. dollars having the index maturity designated by the Debtor at approximately 11:00 a.m.  
 17 (London time) on the LIBOR Interest Determination Date. If no rate appears on Bridge Telerate  
 18 page 3750, the Debtor will request the principal London offices of each of four (4) major reference  
 19 banks in the London interbank market, as selected by the Debtor, to provide the Debtor with its  
 20 offered quotation for deposits in U.S. dollars having the index maturity designated by the Debtor to  
 21 prime banks in the London interbank market at approximately 11:00 a.m. (London time) on such  
 22 LIBOR Interest Determination Date and in a principal amount that is representative of a single  
 23 transaction in U.S. dollars in such market at such time. LIBOR determined will be the arithmetic  
 24 mean of the offered quotations. If fewer than two (2) quotations are provided, LIBOR determined  
 25 on such LIBOR Interest Determination Date will be the arithmetic mean of the rates quoted at  
 26 approximately 11:00 a.m. in New York City on such LIBOR Interest Determination Date, by three  
 27 (3) major banks in New York City selected by the Debtor for loans in U.S. dollars to leading  
 28 European banks, having the index maturity designated by the Debtor that is representative for a

1 single transaction in U.S. dollars in such market at such time. If the banks so selected are not  
 2 quoting as mentioned above, LIBOR will remain LIBOR in effect on such LIBOR Interest  
 3 Determination Date.

4 LIBOR Interest Determination Date means, for an Interest Period, the second (2nd)  
 5 London Business Day immediately preceding the first day of that Interest Period; except that in the  
 6 period prior to the Initial Calculation Date, the LIBOR Interest Determination Dates for (a) Allowed  
 7 Claims under International Swap Dealers Association ("ISDA") Agreements shall be the Petition  
 8 Date and each anniversary thereof prior to the Initial Calculation Date, and (b) Allowed Claims of  
 9 power generators shall be as determined between the Debtor and each such power generator,  
 10 notwithstanding the fact that none of such dates is an interest payment date.

11 London Business Day means any day on which commercial banks in London are  
 12 ordinarily open for business.

13 License Conditions has the meaning set forth in Section 6.9 hereof.

14 Lien has the meaning set forth in section 101(37) of the Bankruptcy Code.

15 Loan Agreement means, with respect to each series of PC Bonds, that certain loan  
 16 agreement by and between the Issuer and the Debtor with respect to such series of PC Bonds, as  
 17 originally executed, together with all amendments, modifications, renewals, substitutions and  
 18 replacements thereof.

19 Master Ballot means the Ballot to be completed by Nominees of beneficial owners of  
 20 bonds, notes, debentures or shares of stock of the Debtor.

21 Matured and Unpresented First and Refunding Mortgage Bonds means, collectively, that  
 22 portion of the Debtor's (a) First and Refunding Mortgage Bonds, Series II, 4.25%, (b) First and  
 23 Refunding Mortgage Bonds, Series JJ, 4.5%, (c) First and Refunding Mortgage Bonds, Series LL,  
 24 4.625%, (d) First and Refunding Mortgage Bonds, Series MM, 5.375%, (e) First and Refunding  
 25 Mortgage Bonds, Series NN, 5.75%, (f) First and Refunding Mortgage Bonds, Series OO, 5.50%,  
 26 and (g) First and Refunding Mortgage Bonds, 8% Series 92C, to the extent that (i) such matured  
 27 bonds have not been presented for payment by the holders thereof, and (ii) the Debtor is obligated to  
 28 pay the principal of, and interest on, such bonds in accordance with the terms thereof under



1 applicable law, provided that the Debtor is not waiving any rights or claims it may have under  
 2 applicable non-bankruptcy law against any holder of any such bond or any other party with respect  
 3 thereto.

4 MBIA means MBIA Insurance Corporation.

5 MBIA Claims means all Claims against the Debtor relating to (a) the contingent Claims  
 6 of MBIA with respect to payments that may become due by the Debtor under the terms of the MBIA  
 7 Reimbursement Agreement as reimbursement for payments made by MBIA under the PC Bond  
 8 Insurance Policy, and (b) the Claims of MBIA for any and all accrued and unpaid amounts due by  
 9 the Debtor under the MBIA Reimbursement Agreement, including any and all amounts due by the  
 10 Debtor as reimbursement of amounts paid by MBIA under the PC Bond Insurance Policy to the  
 11 Bond Trustee for the payment of interest on the MBIA Insured PC Bonds.

12 MBIA Insured PC Bond Claims means all Claims against the Debtor by the Issuer, Bond  
 13 Trustee and the holders of the MBIA Insured PC Bonds for all amounts due and owing by the Debtor  
 14 under the Loan Agreements and each of the other PC Bond Documents executed by the Debtor in  
 15 connection with the issuance of each series of MBIA Insured PC Bonds.

16 MBIA Insured PC Bonds means those certain California Pollution Control Financing  
 17 Authority, Pollution Control Refunding Revenue Bonds (Pacific Gas and Electric Company) 1996  
 18 Series A issued by the Issuer in the aggregate principal amount of \$200,000,000.

19 MBIA Reimbursement Agreement means that certain Reimbursement and Indemnity  
 20 Agreement, dated as of May 1, 2000, by and between the Debtor and MBIA, pursuant to which  
 21 MBIA has issued the PC Bond Insurance Policy, together with all amendments, modifications and  
 22 renewals thereof.

23 Medium Term Note Claims means all Claims against the Debtor arising from the  
 24 Medium Term Notes.

25 Medium Term Notes means those certain notes bearing various interest rates from  
 26 5.810% to 8.450% due through October 7, 2013, other than the Senior Notes and the Floating Rate  
 27 Notes, issued by the Debtor under an indenture by and between the Debtor and Wilmington Trust  
 28 Company, as successor-in-interest to The Bank of New York, dated September 1, 1987, together

1 with all amendments, modifications, renewals, substitutions and replacements thereof.

2 Moody's means Moody's Investors Service Inc. or its successor.

3 Mortgage means that certain First and Refunding Mortgage, dated December 1, 1920,  
4 made by the Debtor, under which BNY Western Trust Company was trustee on the Petition Date,  
5 together with all amendments, modifications, renewals, substitutions and replacements thereof.

6 Mortgage Backed PC Bonds means, collectively, the 92A Bonds, the 92B Bonds, the  
7 93A Bonds and the 93B Bonds.

8 Mortgage Backed PC Bond Claims means all Claims against the Debtor by the Issuer,  
9 Bond Trustee and the holders of the Mortgage Backed PC Bonds for all amounts due and owing by  
10 the Debtor under the Loan Agreement and each of the other PC Bond Documents executed by the  
11 Debtor in connection with the issuance of each series of Mortgage Backed PC Bonds.

12 New Money Notes has the meaning set forth in Section 7.2 hereof.

13 New Mortgage Bonds means mortgage bonds to be issued by the Reorganized Debtor,  
14 the terms of which are set forth on the Summary of Terms of Debt Securities.

15 Nominee means any brokerage firm or bank, or the agent of such firm or bank, holding  
16 the securities of a beneficial owner of bonds, notes, debentures or shares of stock of the Debtor.

17 NRC means the United States Nuclear Regulatory Commission.

18 NYSE means the New York Stock Exchange.

19 Ordinary Course Liabilities means (i) liabilities incurred in the ordinary course of  
20 business by the Debtor-in-Possession, including, but not limited to, actual and necessary costs and  
21 expenses of operating the business of the Debtor-in-Possession, any indebtedness or obligations  
22 incurred or undertaken by the Debtor-in-Possession in connection with the conduct of its business,  
23 liabilities arising under loans or advances to or other obligations incurred by the Debtor-in-  
24 Possession, and real and personal property taxes and franchise fees; (ii) any Claims against the  
25 Debtor constituting a cost or expense of administration of the Chapter 11 Case under sections 503(b)  
26 and 507(a)(1) of the Bankruptcy Code arising on or after 60 days prior to the Effective Date, other  
27 than Professional Compensation and Reimbursement Claims; and (iii) all cure amounts owed in  
28 respect of executory contracts and unexpired leases assumed by the Debtor-in-Possession arising on



1 or after 60 days prior to the Effective Date.

2 Original Letter of Credit Fee has the meaning set forth in Section 4.11(b)(iv) hereof.

3 Original PG&E Plan has the meaning set forth in Section 7.1(a) hereof.

4 Other Priority Claims means all Claims against the Debtor, other than Administrative  
5 Expense Claims or Priority Tax Claims, entitled to priority in right of payment under section 507(a)  
6 of the Bankruptcy Code.

7 Other Secured Claims means all Claims against the Debtor relating to mechanics' and  
8 materialmen's Liens and secured tax Claims, as well as Secured Claims, other than Secured Claims  
9 Relating to First and Refunding Mortgage Bonds, Secured Claims Relating to PC-Related Mortgage  
10 Bonds and Mortgage Backed PC Bond Claims.

11 Parent and PG&E Corporation means PG&E Corporation, a California corporation, the  
12 Debtor's parent company.

13 PC Bond Documents means, with respect to each series of PC Bonds, the Loan  
14 Agreement, Indenture and all of the other documents, instruments, agreements and certificates  
15 evidencing, securing, governing or otherwise pertaining to the respective Bond Loan or the  
16 respective series of PC Bonds or otherwise executed and delivered by or on behalf of the Debtor in  
17 connection with any of the foregoing, together with all amendments, modifications, renewals,  
18 substitutions and replacements of or to any of the foregoing.

19 PC Bond Insurance Policy means that certain Financial Guaranty Insurance Policy issued  
20 by MBIA with respect to the MBIA Insured PC Bonds, together with all amendments, modifications,  
21 renewals, substitutions and replacements thereof.

22 PC Bonds means collectively, the Letter of Credit Backed PC Bonds, the MBIA Insured  
23 Bonds, the Mortgage Backed PC Bonds, the Prior Bonds and the Treasury PC Bonds.

24 PC-Related Mortgage Bonds means, with respect to each series of Mortgage Backed PC  
25 Bonds, those certain first and refunding mortgage bonds made by the Debtor in favor of the Bond  
26 Trustee pursuant to and secured by the Mortgage, in an aggregate principal amount equal to the  
27 related series of Mortgage Backed PC Bonds.

28 Pending Litigation Claims means all Claims against the Debtor that are asserted in

1 litigation pending against the Debtor and that are listed in the Plan Supplement; provided, however,  
 2 that Pending Litigation Claims shall not include (a) any Claims settled, liquidated or determined by a  
 3 Final Order or a binding award, agreement or settlement prior to the Petition Date for amounts  
 4 payable by the Debtor for damages or other obligations in a fixed dollar amount payable in a lump  
 5 sum by a series of payments (which Claims are classified as General Unsecured Claims),  
 6 (b) Environmental Claims, (c) Fire Suppression Claims or (d) Tort Claims.

7 Person has the meaning set forth in section 101(41) of the Bankruptcy Code.

8 Petition Date means April 6, 2001, the date on which the Debtor commenced the  
 9 Chapter 11 Case.

10 PG&E Proponents means the Debtor and the Parent.

11 Plan means this Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for  
 12 Pacific Gas and Electric Company Dated July 31, 2003 proposed by the Proponents, including,  
 13 without limitation, the Plan Supplement and all exhibits, supplements, appendices and schedules  
 14 hereto or thereto, either in their present form or as the same may be altered, amended or modified  
 15 from time to time.

16 Plan Supplement means the documents, schedules and other instruments filed with the  
 17 Bankruptcy Court on July 18, 2003, in accordance with Section 11.17 hereof, and any supplements  
 18 or amendments thereto filed with the Bankruptcy Court prior to the date the Proponents commence  
 19 solicitation for votes for this Plan.

20 Post-Petition Interest has the meaning set forth in Section 4.1 hereof.

21 Preferred Stock means the issued and outstanding shares of the Debtor's First Preferred  
 22 Stock, par value \$25.00 per share. The Debtor's outstanding First Preferred Stock is comprised of:  
 23 (a) 6% Non-Redeemable First Preferred; (b) 5.5% Non-Redeemable First Preferred; (c) 5% Non-  
 24 Redeemable First Preferred; (d) 5% Redeemable First Preferred Series D; (e) 5% Redeemable First  
 25 Preferred Series E; (f) 4.80% Redeemable First Preferred; (g) 4.50% Redeemable First Preferred;  
 26 (h) 4.36% Redeemable First Preferred; (i) 6.57% Redeemable First Preferred; (j) 7.04% Redeemable  
 27 First Preferred; and (k) 6.30% Redeemable First Preferred.

28 Preferred Stock Equity Interests means any right relating to the Preferred Stock.

1           Prior Bond Claims means all Claims against the Debtor by the Prior Letter of Credit  
 2 Issuing Banks for any and all accrued and unpaid amounts due by the Debtor under their respective  
 3 Prior Reimbursement Agreements, including amounts due as reimbursement of amounts paid by  
 4 each Prior Letter of Credit Issuing Bank under its respective Prior Letter of Credit to the Bond  
 5 Trustee for the payment of the redemption price of the related series of Prior Bonds.

6           Prior Bonds means, collectively, the 96B Bonds, the 96D Bonds, the 97A Bonds and the  
 7 97C Bonds.

8           Prior Letter of Credit means, with respect to each series of Prior Bonds, that certain  
 9 irrevocable direct pay letter of credit issued by the Prior Letter of Credit Issuing Bank for the account  
 10 of the Debtor to the Bond Trustee and delivered to the Bond Trustee in accordance with the terms of  
 11 the respective Indenture which secured, among other things, the payment of the principal of, and  
 12 interest on, the respective series of Prior Bonds, together with all amendments, modifications,  
 13 renewals, substitutions and replacements thereof.

14           Prior Letter of Credit Issuing Bank means, with respect to each series of Prior Bonds, the  
 15 issuer of the Prior Letter of Credit.

16           Prior Reimbursement Agreement means, with respect to each series of Prior Bonds, that  
 17 certain reimbursement or other agreement between the Debtor and the Prior Letter of Credit Issuing  
 18 Bank providing for, among other things, the issuance of the related Prior Letter of Credit and the  
 19 reimbursement of the Prior Letter of Credit Issuing Bank for draws made thereunder, together with  
 20 all amendments, modifications, renewals, substitutions and replacements thereof.

21           Priority Tax Claims means all Claims against the Debtor for taxes entitled to priority in  
 22 payment under section 507(a)(8) of the Bankruptcy Code.

23           Professional Compensation and Reimbursement Claims means all Administrative  
 24 Expense Claims for the compensation of professionals and reimbursement of expenses incurred by  
 25 such professionals, the Committee and members of the Committee pursuant to sections 330(a) or  
 26 503(b)(2), 503(b)(3), 503(b)(4) and 503(b)(5) of the Bankruptcy Code.

27           Proponents means the Debtor, the Parent and the Committee.

28           PU Code means the California Public Utilities Code.

Punitive Damages means punitive, exemplary or similar damages, or fines, penalties or similar charges that arise in connection with Environmental Claims, Fire Suppression Claims, Pending Litigation Claims or Tort Claims.

PX means the California Power Exchange Corporation.

QFs means qualifying facilities operating pursuant to the Public Utility Regulatory Policies Act of 1978 and the related regulations enacted thereunder.

QUIDS means the 7.90% Deferrable Interest Subordinated Debentures, Series A, Due December 31, 2025, issued by the Debtor under the QUIDS Indenture, together with all amendments, modifications, renewals, substitutions and replacements thereof.

QUIDS Claims means all Claims against the Debtor arising from the QUIDS.

QUIDS Indenture means the Indenture by and between the Debtor and National City Bank of Indiana, as successor-in-interest to Bank One Trust Company, N.A., as successor-in-interest to The First National Bank of Chicago, dated November 28, 1995, as supplemented by the First Supplemental Indenture dated November 28, 1995, as supplemented by the Second Supplemental Indenture dated March 25, 1996.

Rate Recovery Litigation means Pacific Gas and Electric Co., Plaintiff v. Loretta M. Lynch, et al., Defendants, Case No. C-01-3023-VRW in the United States District Court for the Northern District of California, and all appellate proceedings arising therefrom.

Rate Reduction Bonds has the meaning set forth in section 840(e) of the PU Code.

Refunding Bonds means, with respect to each series of Prior Bonds, a new series of revenue bonds to be issued by the Issuer (or another authorized Governmental Entity) for the benefit of the Reorganized Debtor, the proceeds of the sale of which shall be loaned by the Issuer to the Reorganized Debtor for the purpose of paying the principal portion of the redemption price of such series of Prior Bonds by repaying the related Reimbursement Obligation.

Regulatory Asset has the meaning set forth in Paragraph 2 of the Commission Settlement Agreement.

Reimbursement Agreement means, with respect to each series of Letter of Credit Backed PC Bonds, that certain reimbursement or other agreement between the Debtor and the Letter of

1 Credit Issuing Bank and certain other Banks, if any, that are signatories thereto providing for, among  
 2 other things, the issuance of the related Letter of Credit and the reimbursement of the Letter of  
 3 Credit Issuing Bank and certain other Banks, if any, that are signatories thereto for draws made  
 4 under such Letter of Credit, together with all amendments, modifications, renewals, substitutions  
 5 and replacements thereof.

6 Reimbursement Obligation means, with respect to each series of Prior Bonds, that  
 7 portion of the reimbursement obligation of the Debtor under the Prior Reimbursement Agreement  
 8 arising with respect to the portion of the final drawing made under the related Prior Letter of Credit  
 9 for the payment of the principal portion of the redemption price of the related series of Prior Bonds.

10 Releasees means the Committee and the Parent, and all Persons who (a) are present or  
 11 former officers or directors of the Debtor or the Parent who were directors and/or officers of the  
 12 Debtor or the Parent, respectively, on or after the Petition Date; (b) serve or served as members of  
 13 the management of the Debtor or the Parent on or after the Petition Date; (c) are present or former  
 14 members of the Committee; (d) are present or former officers and directors and other Persons who  
 15 serve or served as members of the management of any present or former member of the Committee;  
 16 (e) are advisors, consultants or professionals of or to the Debtor and/or the Parent, the Committee, or  
 17 the members of the Committee, but in each case only to the extent such Persons are or were acting in  
 18 any of the capacities set forth in (a) through (e) above.

19 Reorganized Debtor means the Debtor, or any successor thereto by merger,  
 20 consolidation or otherwise, on and after the Effective Date.

21 Retail Electric Rates means any and all charges authorized by the Commission to be  
 22 collected from the Debtor's and/or the Reorganized Debtor's retail electric customers.

23 Retirement Plan has the meaning set forth in Section 6.7 hereof.

24 Revolving Line of Credit means the Amended and Restated Credit Agreement, dated as  
 25 of December 1, 1997, as amended, as to which Bank of America, N.A., was the Administrative  
 26 Agent on the Petition Date, together with all amendments, modifications, renewals, substitutions and  
 27 replacements thereof.

28 Revolving Line of Credit Claims means all Claims against the Debtor arising from the



1 Revolving Line of Credit.

2 ROE has the meaning set forth in Paragraph 2b of the Commission Settlement  
3 Agreement.

4 SEC means the United States Securities and Exchange Commission.

5 Secured Claim means all Claims against the Debtor, to the extent reflected in the  
6 Debtor's Bankruptcy Schedules or a proof of claim as a Secured Claim, which are secured by a Lien  
7 on Collateral but only to the extent of the value of such Collateral, as determined in accordance with  
8 section 506(a) of the Bankruptcy Code, and, in the event that such Claim is subject to a permissible  
9 setoff under section 553 of the Bankruptcy Code, to the extent of such permissible setoff.

10 Secured Claims Relating to First and Refunding Mortgage Bonds means all Claims  
11 against the Debtor arising from the First and Refunding Mortgage Bonds.

12 Secured Claims Relating to PC-Related Mortgage Bonds means all Claims against the  
13 Debtor arising from Secured Claims evidenced by the PC-Related Mortgage Bonds that secure the  
14 Mortgage Backed PC Bond Claims.

15 Securities Act means the Securities Act of 1933, as amended.

16 Senior Indebtedness means, collectively, Commercial Paper Claims, Floating Rate Note  
17 Claims, Medium Term Note Claims, Senior Note Claims and Revolving Line of Credit Claims.

18 Senior Note Claims means all Claims against the Debtor arising from the Senior Notes.

19 Senior Notes means the 7.375% Senior Notes due November 1, 2005, issued by the  
20 Debtor under an indenture by and between the Debtor and Wilmington Trust Company, as  
21 successor-in-interest to The Bank of New York, dated September 1, 1987, together with all  
22 amendments, modifications, renewals, substitutions and replacements thereof.

23 Settlement and Stanislaus Commitments has the meaning set forth in Section 6.9 hereof.

24 Settlement and Support Agreement means that certain Amended and Restated  
25 Settlement and Support Agreement dated as of March 27, 2002, by and among the Debtor, the Parent  
26 and certain holders of Senior Indebtedness who are parties thereto, as approved by the Order of the  
27 Bankruptcy Court dated March 27, 2002, entitled "Order on Motion by Pacific Gas and Electric  
28 Company for Order (A) Approving Settlement and Support Agreement By and Among Plan

1 Proponents and Senior Debtholders, (B) Authorizing Payment of Pre- and Post-Petition Interest to  
 2 Holders of Undisputed Claims in Certain Classes, (C) Authorizing Payment of Fees and Expenses of  
 3 Indenture Trustees and Paying Agents and (D) Authorizing Debtor to Enter into Similar  
 4 Agreements.”

5 Settling Parties means the parties to the Commission Settlement Agreement.

6 Southern San Joaquin Valley Power Authority Agreement means the Agreement  
 7 between the Debtor and the Southern San Joaquin Valley Power Authority dated as of July 1, 1997,  
 8 and related Indenture of Trust, dated as of November 1, 1991, between the Southern San Joaquin  
 9 Valley Power Authority and Bank of America, N.A., as Trustee in respect of amounts payable on  
 10 certain bonds issued by Southern San Joaquin Power Authority maturing in 2001 through January 1,  
 11 2013, together with all amendments, modifications, renewals, substitutions and replacements  
 12 thereof.

13 Southern San Joaquin Valley Power Authority Bond Claims means all Claims against  
 14 the Debtor arising from the Southern San Joaquin Valley Power Authority Agreement.

15 S&P means Standard & Poor's, a division of The McGraw-Hill Companies, Inc., or its  
 16 successor.

17 State means the State of California.

18 Stated Amount means, with respect to each Letter of Credit, the aggregate amount  
 19 available to be drawn thereunder, from time to time, in accordance with the terms thereof.

20 Summary of Terms of Debt Securities means the summary of terms of the New Money  
 21 Notes and the New Mortgage Bonds as set forth on Exhibit A to the Plan.

22 Tax Code means the United States Internal Revenue Code of 1986, as amended, and the  
 23 Treasury Regulations thereunder.

24 TCBA means Transition Cost Balancing Account as established by Commission  
 25 decisions pursuant to sections 367 and 368 of the PU Code.

26 Tort Claims means (i) the Chromium Litigation Claims and all other Claims against the  
 27 Debtor arising from any accusation, allegation, notice, action, claim, demand or otherwise for  
 28 personal injury, tangible or intangible property damage, products liability or discrimination, or based



on employment, including Punitive Damages; and (ii) any Claim for indemnification or contribution (whether based on contract, statute or common law) against the Debtor by any third party, where such indemnification or contribution Claim of such third party is based on a Claim against such third party that if asserted directly against the Debtor would be a claim included within the immediately preceding clause (i); provided, however, that Tort Claims shall not include (a) any Claims settled, liquidated or determined by a Final Order or a binding award, agreement or settlement prior to the Petition Date for amounts payable by the Debtor for damages or other obligations in a fixed dollar amount payable in a lump sum by a series of payments (which Claims are classified as General Unsecured Claims); (b) Environmental Claims; (c) Fire Suppression Claims; or (d) Pending Litigation Claims.

Treasury PC Bond Claims means all Claims against the Debtor by the Issuer, Bond Trustee and the holders of Treasury PC Bonds for all amounts due and owing by the Debtor under the Loan Agreements and each of the other PC Bond Documents executed by the Debtor in connection with the issuance of each series of Treasury PC Bonds.

Treasury PC Bonds means, collectively, the 96G Bonds and the 97D Bonds.

Unimpaired means any Class of Claims or Equity Interests that is not Impaired.

URG means utility retained generation.

URG Rate Base means the rate base amounts set forth in the Debtor's Advice Letter 2233-E implementing Commission Decision (D.) No. 02-04-016.

Voting Record Date means August 4, 2003.

Watershed Lands has the meaning set forth in Paragraph 17 of the Commission Settlement Agreement.

Workers' Compensation Claims means all Claims against the Debtor by employees of the Debtor for the payment of workers' compensation benefits under applicable law.

Workers' Compensation Indemnity Agreements means (a) the Indemnity Agreement by PG&E Corporation, dated April 7, 2000, to indemnify American Home Assurances Company in connection with issuance of Surety Bond No. 00-207-724 issued on behalf of the Debtor for Workers' Compensation, (b) the Indemnity Agreement by PG&E Corporation, dated April 7, 2000,